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RESTRUCTURING AND REVITALIZATION OF THE UNITED NATIONS IN THE ECONOMIC, SOCIAL AND RELATED FIELDS

Chairman's report on prospective new modalities for funding operational activities for development

Note by the Secretariat

At the consultations held on 26 June 1995, it was agreed that the report of the Chairman of the consultation process on prospective new modalities for funding operational activities for development should be transmitted to the General Assembly (see annex).

* A/50/50/Rev.1.

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Annex

CHAIRMAN'S REPORT ON PROSPECTIVE NEW MODALITIES FOR FUNDING OPERATIONAL ACTIVITIES FOR DEVELOPMENT

1. At its forty-ninth session, the General Assembly, on 19 September 1994, decided to extend the consultation process on prospective new modalities for funding of operational activities for development. The process had originally been set up at the forty-eighth session through paragraphs 31 to 34 of annex I to General Assembly resolution 48/162. Following consultations conducted by the President of the forty-eighth session of the General Assembly, Mr. T. P. Sreenivasan (India) had been chosen as Chairman.

2. The present report provides information on the status of consultations up to June 1995. Furthermore, it is recommended that the consultations should continue during the fiftieth session.

3. Summaries of previous consultations were circulated as documents A/49/749 of 2 December 1994 and A/49/922 of 24 March 1995.

4. To facilitate the consultations and in accordance with the request contained in paragraph 33 of annex I to resolution 48/162, the Secretary-General submitted two reports on the subject (A/48/940 and A/49/834) which were welcomed by participants in the consultations. A number of delegations expressed their readiness to examine all options contained in the reports; they considered that the reports offered a good basis for looking at various options and responded to questions raised in the course of the consultation process. Suggestions were offered on how best the examination of the options might be organized, including by looking at the likely impact of each option on the overall level of funding and the level of contributions.

5. The critical nature of the consultations was stressed. It was noted that the operational activities for development were beset by serious resource shortfalls. The importance of maintaining the fundamental characteristics of neutrality, multilateralism and the voluntary nature of contributions was reiterated. A general view was expressed that the funding of those activities had to be placed on a secure and predictable basis, and that there was an urgency to the question.

6. The issue of resource levels was considered to require a wider context than that provided by General Assembly resolution 48/162 and, although that did not mean reopening issues related to governance, it would, in addition to factors relevant for a new funding mechanism, as identified in resolution 48/162, also require consideration of a range of factors affecting levels of resources.

7. While a number of delegations expressed their readiness to examine all options contained in the Secretary-General's reports, others expressed their preference for the current, voluntary system.

8. It was noted that a positive outcome of the process of discussions on the funding for operational activities was the willingness to look for opportunities

for finding solutions, as had been witnessed at the annual session of the Executive Board of the United Nations Development Programme in June 1995, when new procedures included a predictable level of core resources.

9. It was agreed that the consultations should be extended and that further meetings should be scheduled within the framework of the fiftieth session of the General Assembly. It was also agreed that, in accordance with resolution 48/162, the process should aim at identification of a funding system and mechanisms that would generate substantial increases in resources on a predictable, continued and assured basis. In proceeding with the process, some of the relevant major issues should be considered, including the question of resource flows, the evaluation of resource requirements and issues of cost-effectiveness in the operational activities.